

Transformation and job creation in the cultural and creative industries in South Africa

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ABSTRACT

The Cultural and Creative Industries (CCIs) have been hailed as offering great potential to create jobs and to be socially inclusive. Since artistic success is defined by individual talent, or merit, the CCIs should be one sector that is especially open to, and appreciative of, social diversity in terms of race, class, cultural group and gender. However, recent studies in both the UK and the US have revealed that employment in the CCIs is heavily dominated by middle class people, and is not nearly as diverse in terms of other characteristics, which is what had been expected. Since the advent of democracy in South Africa in 1994, transformation of firm ownership, previously dominated by white people, to include more black, coloured and Indian/Asian-origin South Africans, has been an important part of achieving greater economic equality and social cohesion, as well as being more representative of the cultures of the majority of the population. Using data from a survey of 2400 firms in the CCIs in South Africa, this paper examines the extent to which the CCIs in South Africa have transformed in terms of ownership and employment. Comparisons are also made across the six UNESCO (2009) “Cultural Domains” in terms of ownership, average monthly turnover and the number of full-time, part-time and contract employees. Results show some diversity in the industry, but that there are significant differences between the Domains. Statistical analysis demonstrates that CCI funding policy in South Africa is sensitive to advancing the transformation agenda in that more transformed firms were shown to be more likely to have received some form of government grant as part of their income.

Keywords: cultural and creative industries; employment; ownership; cultural domains

1. Introduction

Oakley (2006) argues that there is a strong line of thought that promotes the cultural and creative industries (CCIs) as open to all, with employment opportunity based on individual talent or merit. Thus, at the same time as being a source of economic growth, the CCIs are seen also as a source of social cohesion, and their natural rejection of social norms and customs opens them up to participation by, and representation of, all “voices”. Such views stem from Florida’s (2002) work on the “Rise of Creative Class”, that advances a vision of a class of young, highly educated and mobile workers in the new “knowledge economy”.

However, there is evidence that employment in the CCIs has not emerged to become as diverse and open to all as such views would support (Oakley, 2006; Eikhof & Warhurst, 2013; Siebert & Wilson, 2013; O’Brien et al., 2016).

Like many countries, South Africa has moved from a narrow definition of arts, culture and heritage towards a much broader conception of the sector which includes more commercial activities. The Mzansi Golden Economy (MGE) funding initiative, for example, is a fund administered by the national Department of Arts and Culture to which arts organisations and events can apply for funding in various categories, including festivals and events, touring ventures and public art. The MGE fund focuses on the role of the cultural and creative industries (CCIs) in job creation and economic growth (DAC, 2011). The “transformation” of the industry is especially important in post-apartheid South Africa, where transformation, in this context, refers to black economic empowerment, that is, achieving both employment and ownership patterns that are more representative of the demographics of the country. While the last 22 years of democracy have certainly broadened economic participation in general, the society is still divided along racial lines, with much higher levels of unemployment, and lower levels of firm ownership, amongst black, coloured and Indian-origin South Africans than amongst the white population.

This study investigates to what extent the CCIs in South Africa are moving towards transformation and the inclusion of people from diverse backgrounds in their ownership and employment profiles. Using a survey of 2400 CCIs, it also compares ownership and employment patterns across the six UNESCO (2009) “Cultural Domains”, which is the classification framework used in many South African cultural policy documents, including the revised White Paper on Arts, Culture and Heritage (2016) currently under discussion.

2. The role of the cultural and creative sector in employment creation

There has been much recent focus on the role of the cultural industries, or cultural sector, in local and regional economic development (Sacco et al., 2014). It is argued that cultural production and consumption can lead, or contribute to, growth and development in a number of ways. There is also some evidence that the cultural industries are growing faster than the rest of the economy, in both the developed world, e.g. Scotland (Scottish Office of the Chief Economic Advisor, 2016), and in developing countries, e.g. Argentina (SInCA, 2015).

The newly released East African Community CCI Bill (2015) recognised the cultural and creative industries as, “one of the fastest growing sectors in the global economy” with the potential to increase GDP and employment. An exploratory study of the CCI sector in Nigeria (Agoralumier, 2009) concluded that, “In Nigeria, although statistics are not available, it is estimated that millions of Nigerians are engaged some form of creative work that, when organized, could boost the Creative Economy”. Work on national policies to promote the cultural sector in Senegal, funded under the Millennium Development Goals Achievement Fund (2008 – 2012), aimed to develop institutions and train cultural sector workers in areas such as copyright law, and to market and develop cultural venues and cultural tourism (UNESCO, 2012). A Brazilian study (Kon, 2016) using national data found that the creative sector accounted for 5% of “industry jobs” in the country. This study defined the CCIs quite broadly, including also sports, and information technology, architecture and engineering.

However, as De Beukelaer (2014) argues, the CCIs are not growing equally in all developing countries, and caution should be exercised in making aggregated claims. While Argentinian data shows that the CCI growth rate is highly correlated with that of the general economy, it is more volatile, responding strongly to both upturns and downturns. Recent research on job creation in the CCIs in South Africa confirms this volatility, but does show that, in upswings, cultural employment grows faster than non-cultural employment (Hadisi and Snowball, 2016). Contradicting these findings Grodach and Seman, (2013) showed that, overall, the CCIs in the USA did not experience a larger fall in employment than the rest of the economy during the recession and, in some cities, had less unemployment than the general economy.

3. Is employment in the CCIs based on merit?

One of the first national studies of employment in the CCIs, done using the 2014 British Labour Force Survey (O’Brien et al., 2016) rejected the view of the cultural and creative sector as “open and meritocratic”. Instead, the study shows that black and minority ethnic groups are significantly under-represented in the CCIs in the UK as compared to the general employed population. O’Brien et al. (2016) also find significant differences between the various sub-sectors that make up the CCIs.

There are several theories about why the CCIs might not be as open and diverse as they were first assumed to be. Eikhof and Warhurst (2013) argue that social inequalities are systematic in the creative industries because of the very nature of the work. For example, production in the CCIs has been noted by a number of authors (Oakley, 2006; Grugulis & Stoyanova, 2012; Grodach & Seman, 2013; amongst others) to be based on short-term projects. The result is that teams of people with the required skills are constantly being formed and dissolved as the need arises, based on short-term employment contracts. Such a mode of production is important to offset the riskiness of creative ventures, particularly in sectors where there are large fixed costs (for example, in the film industry) and highly volatile and uncertain demand (Caves, 2000).

The consequences of this method of production are that social networks as well as social capital are of great importance in shaping a successful career in the CCIs. Middle class people, who can draw on the social and financial capital of their parents and friends, are more

likely to be successful. Similarly, when teams are formed, they tend to be made up of artists known to each other, or who have been recommended by someone within the network, thus making it very difficult for new artistic producers, however talented, to break into these established networks (Eikhof & Warhurst, 2013; Siebert & Wilson, 2013).

In a broad review of literature on the industry dynamics of the cultural industries Peltoniemi (2015) points out, despite market concentration in some sectors (such as the media), “most firms tend to be small independent of industry context” (Peltoniemi, 2015:53), which is also the case in South Africa. In part, the smaller firm structure may be the result of flexible specialisation, in which smaller firms or freelancers working on short-term contracts are a way of managing the riskiness of the industry (Towse, 2011). For small firms, owners are often also managers and workers, which reduces the principle-agent problem.

For larger cultural firms where there is a separation of ownership, management and employees, there is likely to be some tension between profit orientated managers (“suites”) and “creatives”, who may be more interested in the quality of the output and in risky, experimental ventures. However, even in sectors where there is concentration, some research has found that product diversity still occurs because of competition not just within a specific sector, but across sectors (for example, books may compete with music), which encourages heterogeneous product offerings (Peltoniemi, 2015).

Freedman (2014) however, argues that, in the media industry, concentration of ownership is perceived to be anti-democratic and to lead to a lack of cultural diversity, and that ownership should be a strategic priority in cultural policy design. In the post-apartheid South African context, the call for more demographically representative firm ownership patterns is made both in terms of the diversity of outputs (where ownership is seen to imply control), and on the grounds of the need to distribute wealth more equitably.

4. Context: The CCIs in South Africa

4.1 CCI Policy and definitions in South Africa

The document governing cultural policy in South Africa is the White Paper on Arts, Culture and Heritage (1996), although it is currently in the process of being revised. The stated mission of the Department of Arts and Culture is to “realise the full potential of arts, culture, science and technology in social and economic development, nurture creativity and innovation, and promote the diverse heritage of our nation”. To develop this mission, the White Paper recognised the importance of cultural and linguistic diversity, and especially the empowerment of black South Africans post-apartheid through the preservation of heritage. There is also a focus (though much less emphasised) on the arts as a source of economic growth and skills development.

A revised White Paper was released in 2013, but later withdrawn in order to engage in more stakeholder consultation. Interestingly, the 2013 version of the White Paper used the same definition of Arts, Culture and Heritage as the 1996 paper, but declined to define exactly what was meant by the Cultural and Creative Industries.

A provincial document, the Gauteng “Creative Industries Development Framework” (2008) broadened the definition to include sectors such as advertising and architecture, with the defining characteristic being *creativity*, rather than symbolic cultural meanings. This broadening of the definition continued to be used in the Gauteng and Western Cape regional Mapping Studies, where the ‘creative economy’ was understood to include both cultural and creative industries.

“The Creative Industries in South Africa” (CAJ, 2008) report included a discussion of what the terms ‘cultural industry’, ‘cultural sector’ and ‘creative industry’ mean and how these definitions have changed over time. The definition of the ‘creative economy’ was broadened to include all sectors that produce goods and services protected by copyright (that is, the focus is on the ‘knowledge economy’) and also to include sectors that support the cultural and creative industries further downstream.

The “vision” of the Department of Arts and Culture (DAC), as set out in the 2015/16 – 2019/20 Strategic Plan is “A dynamic, vibrant and transformed Arts, Culture and Heritage sector, leading nation building through social cohesion and socio-economic inclusion”. The strategic plan (2015) uses two terms: “Arts, culture and heritage” (ACH), which seem to refer more to the ‘core’, generative parts of the sector, that are often non-profit and have significant funding requirements; and the CCIs, which seem to include the more commercial parts of the sector and the production activities underpinning them.

Like many countries, South Africa has thus moved from a narrow definition of arts, culture and heritage towards a much broader conception of the sector which includes more commercial activities. As Tremblay (2011:290) also point out, broadening the scope to the creative industries, “permits all targeted activities to benefit from the prestige surrounding the work of artists and ... allows them to post an exceptional turnover and growth rate, largely attributable to the domain of software and video games”.

The UNESCO cultural domains are used in defining the “cultural and creative industries” in many recent South African cultural policy debates. The UNESCO domains, and thus what is included when referring to the CCIs in South Africa, include a mix of what were traditionally regarded as cultural sectors (dance, drama, music, fine art) as well as the sectors now included (advertising, architecture, software design).

4.2 Black Economic Empowerment and Unemployment in South Africa

The B-BBEE (Broad-based Black Economic Empowerment) Act of 2003 requires that South African enterprises contribute towards the “transformation” of the economy, which includes: increasing black ownership, management and control of productive assets, human resource and skills development of black people, preferential procurement of goods and services from B-BBEE enterprises, and investment in enterprises that are owned and managed by black people (Government Gazette, 2003). Despite progress, there is no doubt that racial imbalances remain in business ownership in South Africa. Black South Africans were found to own at least 23% of the Top 100 listed companies with a further 16% being owned by people with a “mix of shareholder demographics, including black South Africans”. White

South Africans own about 22% of Top 100 companies, with foreign investors holding 39% (JSE 2015).

Most “informal businesses”, however, have been found to be owned by black Africans (Statistics SA, 2014). These owners have been shown to hold low levels of school education and chose to go into business because they were unable to secure employment in the formal sector. 70% of people in the sector used their own money to start the business, and as many as 79% did not even have a bank account.

The debate about black economic empowerment in South Africa has shifted somewhat from employment to ownership. As the Appendix Table shows, the majority of employees in all domains are black, coloured or Indian-origin South Africans. A recent analysis of labour force survey data for SA confirmed this, showing that 19% of people working in cultural occupations (using the UNESCO definition) are white, while 81% are black, coloured or Indian-origin South Africans. (Hadisi and Snowball, 2016). However, current socio-political debates have placed significant emphasis on the importance of ownership as well in assessing transformation progress.

South Africa also has a significant youth (defined as those between 15 and 34 years old) unemployment problem. Youth unemployment rate rose steadily from 2008 to a high of 36.9% in 2015, compared to an unemployment rate of 17% for adults and 25.2% for the general labour force (Statistics SA, 2015). The real increase was probably larger, because of the rising proportion of the youth who exited the labour force during the study period, stopped looking for work, and were then classed as “discouraged” workers.

Another aspect of labour market inequality in South Africa relates to gender. A report on “The Status of Women in the South African Economy” (Republic of SA, 2015) found that 52% of women (compared to 65% men) are part of the labour force and that, despite gains in education levels in recent years, women are more likely to be employed in low-skill occupations than men and attracting lower pay. Women’s employment is also more concentrated in a smaller number of sectors (84% of female employment is in the services sector, a significant proportion of which is domestic work).

5. Methods and Data: The 2014 CCI Study

In 2013, the South African Department of Arts and Culture (DAC) commissioned a study of the CCIs in South Africa. The method followed consisted of two phases: (i) The construction of a database of nearly 25 000 CCIs in South Africa, including the business name, business type, UNESCO domain, description, contact details and location of each organisation; and (ii) Interviews (face to face and telephonically) with a sample of 2 477 randomly selected CCIs to collect information on turn-over, employment, markets, funding sources, challenges, opportunities and many other variables.

Database construction included using internet searches, contacting key CCI institutions, print media (newspapers and magazines), cultural organisations and institutions

to request information on membership and subscriptions, the purchase of pre-existing databases, and snowball sampling. From this database, a random sample of firms were selected for interview, some of which were done face-to-face, and others by telephone.

Although this is by far the most comprehensive and detailed database of CCIs currently available in South Africa, it does have some limitations, the most important of which is that, in the absence of any other national database, it is not possible to determine to what extent the database represents the population.

Interview participants were drawn from the database randomly. Only about 10% of CCI firms contacted were willing to participate, and not all these were willing to answer all the questions. It was also noted that it was particularly difficult to elicit responses from non-South African firm owners. Firms in the interview sample were on average 13.6 years old, which suggests that the sample was more likely to include firms that had been established for some time, and less likely to capture newer small, medium and micro enterprises.

These potential forms of bias are acknowledged, and no claim is made that the interview sample is definitely representative of the whole South African CCI population. The focus of the research is on examining some of the characteristics of the randomly selected group of 2 477 CCI firms, and on their contribution to black economic empowerment (transformation) within the various domains.

6. Results

6.1 A profile of the CCIs in South Africa

The dataset included the 2451 CCI firms that provided data on all the variables in the model. Table 1 shows the percentage of the sample (and the number of firms) in each Domain in the dataset as well as the average transformation score for each Domain. In order to investigate transformation in the CCIs across the different UNESCO domains, a transformation score was constructed that took into account ownership and employee demographics. The score was coded as follows: 2 if the firm had at least one black, coloured or Indian/Asian owner, 0 otherwise; 1 if the firm had at least one female owner, 0 otherwise, and the fraction of the firm workforce that was made up of black, coloured and Indian/Asian people. Black ownership was double-weighted to reflect the importance of this variable in the South African context.

Ownership data was collected in the survey by means of the following question: “What is the race of the principal or majority owner(s) of your business or organisation?”. Further than this, the concept of ownership (and how it was defined) was not explored in the survey. However, the survey did ask about the legal status the firms. About half (51%) were close corporations (CC, 32.4%), personal liability companies (INC, 2.1%), or private companies (PTY.LTD, 16.2%). Non-profit companies made up a further 15.4%, public companies 4.5%, unregistered (or informal) businesses 29.1%, with the remainder (7.5%) being unsure (“don’t know” response) or unwilling to answer the question.

The sample size of CCI firms in each Domain varied quite widely, but included at least 150 firms in each category, which is a reasonable number for exploratory analysis (Table 1). Average transformation scores also varied quite significantly, but were all below 3 (out of a possible 4), demonstrating that historical patterns of ownership and employment are still replicated in the CCIs in South Africa. The Domains with the highest transformation scores were Visual Arts and Crafts (2.55) and Performance and Celebration (2.51). The lowest scores were found in Books and Press (1.95) and Audio-Visual and Interactive Media (1.96).

[Table 1]

In terms of ownership, CCI firms in South Africa showed quite a lot of variation across the different Domains. Firms who had at least one black (meaning black African, coloured or Indian/Asian person) varied from 65% for Performance and Celebration to 44% for Books and Press. Firms with at least one woman owner varied from 31% (Audio-Visual and Interactive Media) to 58% (Visual Arts and Crafts). Youth (up to 34 years old) ownership was most prevalent in Performance and Celebration (45%) and least likely in Books and Press.

[Figure 1]

A pattern in CCI ownership begins to emerge: More commercial sectors, such as Books and Press, Audio-Visual and Interactive Media, and Design and Creative Services, are less likely to have at least one black owner and at least one female owner (although 50% of Design and Creative Services firms do have a woman owner). Less commercial sectors, especially Performance and Celebration and Visual Arts and Crafts, tend to be more diverse in terms of ownership. An analysis of the South African labour force in 2014 showed that only 18% of black African people were employed in skilled jobs, with a further 48% in semi-skilled positions (StatsSA, 2015). Assuming that ownership of a CCI firm is at least a semi-skilled occupation, this means that, to be representative of the labour force, black ownership should be at least 66%. Only Performance and Celebration and Visual Arts and Crafts achieve this level.

In terms of the average number of employees per firm (which included the owner/s), the Domains varied widely from an average of 5 (Visual Arts and Crafts) to 35 (Cultural and Natural Heritage¹). Firms with the lowest percentage of black employees were in Design and Creative Services (68%) and Audio-Visual and Interactive Media (71%), while the highest were in Books and Press (86%) and Performance and Celebration (85%). In 2014, the South African labour force consisted of 73% black Africans, 11% coloured, 4% Indian/Asian, and 21% white people. To be representative of the overall labour force, CCI employees should be 88% black, coloured or Indian/Asian (StatsSA, 2015).

[Table 2]

¹ In South Africa, Cultural and Natural Heritage includes a high proportion of game reserves and farms, which generally have higher employee numbers than other firms in the Cultural Heritage category (museum and archaeological sites and cultural landscapes).

As found in other studies of the CCIs, a higher proportion of employees in this sector had completed tertiary education than in the general working population. This was especially the case for Audio-Visual and Interactive Media, Books and Press and Design and Creative Services. Employees in these sectors were also more likely to have completed formal, certified industry training than employees in other sectors. This might go some way towards explaining why these more commercial sectors are also those with the lowest transformation scores.

[Figure 2]

A significant proportion of employees in the sector work on a contract or part-time basis. However, this varies dramatically across Domains (Figure 2). For example, the vast majority of employees in Cultural and Natural Heritage (88%) and Books and Press (81%) are full time workers. However, Audio-Visual and Interactive Media employees are mostly working on contract (55%), and more than half in Performance and Celebration are working on a part-time or contract basis (26% in each category). What this highlights is that some of the reasons put forward for the lack of diversity in the CCIs related to the “project-based” mode of production (Eikhof & Warhurst, 2013) apply in the South African case, and may vary across Domains.

Table 3 shows turnover and other CCI characteristics, also demonstrating some differences between Domains. Turnover varied significantly, although these figures should be interpreted with caution because (i) not everyone in the sample provided data on turnover (68% response rate) and (ii) the range was enormous (R0 to R30 million). Broadly, however, the turnover figures conform to expectations, with the more commercial “creative” industries (Audio-Visual and Interactive Media, and Design and Creative Services) having higher average turnover than more “cultural” sectors.

[Table 3]

Domains with the highest percentage of firms who receive grants from local, provincial or national government were Cultural and Natural Heritage (47%) and Books and Press (39%). Since the former domain includes public parks, museums and heritage sites, and the latter includes libraries, this is no surprise. Many of these institutions do not charge entrance or user fees, explaining why so many of them rely on public grants. The more commercial “creative” industries (Audio-Visual and Interactive Media, and Design and Creative Services), which also have the highest average turnover, receive fewer grants.

If firms are not registered as formal businesses (including categories such as close corporations, private companies, or non-profit companies) this can be problematic with regard to securing loans and government funds. Unregistered firms can be regarded operating in the informal sector. As expected, by far the highest percentage of unregistered firms was in the Visual Arts and Crafts Domain, a large proportion of which has been found by other studies to be operating in the informal market.

Direct international sales were most common in the Audio-Visual and Interactive Media Domain (not surprising, given that it includes the film and TV sectors which, in South Africa, have their own incentive schemes run by the Department of Trade and Industry).

6.2 Regression Analysis

[Table 4]

With the transformation score as the dependent variable, a regression was run which included a dummy variable for the UNESCO Domains (with Cultural and Natural Heritage as the base case); the number of employees (as a proxy for firm size); a dummy variable for those firms that received grants from local, provincial or national government; whether the firm's main source of income was from direct sales to the South African public; whether the firm was registered or not (informal); whether the firm was a member of a professional association; and whether the firm had at least one owner that fell into the "youth" category (younger than 35).

However, the dependent variable (that is, the transformation score) is not normally distributed (the White Heteroskedasticity test produced statistically significant results; mean of the dependent variable = 2.28, median = 3), as shown in Appendix Table 2. A normally distributed dependent variable is not a requirement of the OLS model (Wooldridge, 2015), but to control for possible bias, the Heteroskedasticity Consistent Covariance (White) estimator was used to check the model and it is these robust standard errors that are reported. As a further robustness check, a Generalized Linear Model (Poisson family) was also run. Both models produced very similar results (Table

In terms of domain, both models showed that, compared to the base case (Cultural and Natural Heritage), the Visual Arts and Crafts sector was statistically significantly and positively related to the transformation score, holding all other variables in the model constant. Holding Domain and other variables constant, the GLM model showed a positive relationship between the number of employees (as a proxy for firm size) and transformation score, but this variable is not significant in the OLS model.

Both models showed that there was a highly significant (1% level) and positive relationship between firms with a higher transformation score and income from public grants, holding all other variables constant. This is an important finding in that it indicates that public funding to the CCIs in South Africa is being targeted at those firms that are contributing most to transformation objectives.

More worryingly, both models show a positive and highly statistically significant relationship between transformation score and being in the informal sector (unregistered firms), all else remaining constant. Since unregistered firms do not have access to public funding or formal loans, this finding is an indication that one way of contributing to sustainable industry transformation could be to provide support and information to CCIs to encourage them to register.

Both models show that having a younger (less than 35 years old) owner is associated with a higher transformation score (1% level of significance), holding all else constant. In terms of youth employment, having at least one owner of less than 35 years old was associated with an increase in transformation score of 0.9 units (22.5%), in the OLS model, suggesting that the CCIs do offer ownership opportunities to young people.

Firms with higher transformation scores were negatively associated with being a member of a professional association in both models, which could be seen as a proxy for financial stability and for being embedded in industry networks. This finding holds even when the other variables (firm size (number of employees), domain, income sources, informality and owner age) are held constant. As with the finding for informality, this indicates that, across the domains, firms with a higher transformation score have fewer industry networks to draw on. As discussed in section 2, networks are extremely important for success in the CCIs, given the short-term, contract based mode of production.

7. Concluding Remarks

From the sample of 2400 CCIs surveyed in South Africa, it is possible to say that they are making some contribution to ownership and employee transformation. However, the ownership and employment profile of firms in most UNESCO Domains are still not representative of the labour force make-up of the country. There is also evidence that firms with a higher percentage of black owners and employees and female owners (that is, a higher transformation score) are struggling most. In all Domains, there is a far higher percentage of black employees (with Design and Creative Services being the lowest at 68%) than owners (all with less than 65%, with Books and Press being the lowest at 44%). In South Africa, differences between Domains (particularly those that require formal educational qualifications) are also likely to be a function of past and present income and education inequalities between population groups.

However, regression analysis shows that, holding constant variables such as size (number of employees), Domain, whether the firm is registered or operating informally, whether they have at least one young owner, and are a member of a professional organisation or not, firms receiving some form of public support have a higher transformation score. Given the need for further transformation of the sector, this is an important finding. From a policy perspective, while more could undoubtedly be done, this finding shows that government financial support has been successfully targeting firms with a higher proportion of black owners and employees.

There are also significant differences across Domains. For example, the Visual Arts and Crafts Domain has the highest average transformation score of any Domain, but also the highest percentage of firms operating informally (unregistered), the lowest average monthly turnover, and the lowest percentage of firms that belong to a professional association, or whose workforce had had formal certified training. It is also the case that the Performance and Celebration domain, which has the second-highest percentage of employees working on

short-term contracts (26%), also has one of the highest transformation scores, with 85% black employees, and 65% black owners, which suggests considerable diversity in this domain.

To conclude, CCI employment and ownership patterns in South Africa do appear to show some of the same characteristics as those in other countries, in that they are characterised by higher proportions of short-term contract work, and that they are not all equally easy to access. However, this varies considerably across Domains, which make a “one size fits all” policy approach unlikely to succeed.

[Appendix Tables 1 and 2]

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Tables and Figures

Table 1. Sample composition by Domain and transformation scores

Variable / Domain	Cultural & Natural Heritage	Performance & Celebration	Visual Arts & Crafts	Books & Press	Audio-Visual & Interactive Media	Design & Creative Services
Percentage of sample in each domain (number in brackets)	9% (227)	25% (620)	25% (607)	11% (259)	6% (156)	24% (582)
Average transformation score (out of 4)	2.15	2.51	2.55	1.95	1.96	2.05

Table 2. Employee characteristics by Domain

Variable / Domain	Cultural & Natural Heritage	Performance & Celebration	Visual Arts & Crafts	Books & Press	Audio-Visual & Interactive Media	Design & Creative Services
Average number of Employees per firm	35	15	5	22	11	10
Percentage of black, coloured and Indian/Asian employees	74%	85%	83%	86%	71%	68%
Percentage of workforce with tertiary education	8%	11%	10%	18%	27%	19%
Percentage of workforce: Formal certified training in sector	8%	24%	15%	22%	26%	24%

Table 3. CCI firm income and other characteristics

Variable Domain /	Cultural & Natural Heritage	Performance & Celebration	Visual Arts & Crafts	Books & Press	Audio-Visual & Interactive Media	Design & Creative Services	All
Average monthly turnover	R155,094	R95,324	R53,535	R167,106	R473,663	R238,042	R163,248 (s.d. R923 211)
Percentage with income from local, provincial, national government grants	47%	25%	14%	39%	12%	8%	20.7%
Percentage who are members of a professional association	48%	30%	17%	42%	28%	31%	29.9%
Percentage unregistered (operating informally)	9%	26%	36%	7%	13%	18%	22.1%
Percentage main market direct sales to SA public	48%	71%	86%	62%	81%	92%	77.2%

Table 4. Transformation in the South African CCIs: Regression results

Variable	Generalized Linear Model (Poisson family; Link = identity)			OLS Model with Heteroskedasticity Consistent Covariance (White)		
	Coefficient	Std. Error	Prob.	Coefficient	Std. Error	Prob.
C	1.806997	0.127101	0.0000	1.799539	0.113448	0.0000
Performance & Celebration	0.116530	0.114772	0.3100	0.135940	0.103657	0.1898
Visual Arts & Crafts	0.262155	0.117882	0.0262	0.331836	0.107309	0.0020
Books & Press	-0.127492	0.126040	0.3118	-0.120175	0.115487	0.2982
Audio-Visual & Interactive Media	-0.181794	0.145178	0.2105	-0.185536	0.144009	0.1977
Design & Creative Services	-0.028998	0.114825	0.8006	0.045441	0.108568	0.6756
Number of Employees	0.001160	0.000567	0.0406	0.000472	0.000366	0.1974
Income from Public Grants	0.653211	0.095601	0.0000	0.662887	0.078924	0.0000
Unregistered/Informal	0.734645	0.084267	0.0000	0.669202	0.066527	0.0000
Owner <35 years old	0.927579	0.072934	0.0000	0.899177	0.055961	0.0000
Direct sales to the public is the main source of income	-0.119241	0.089216	0.1814	-0.129087	0.079004	0.1024
Member of a professional association	-0.301504	0.064960	0.0000	-0.287149	0.060674	0.0000
Prob (Quasi-LR stat)	0.0000			Adjusted R-squared	0.193105	
Pearson Statistic	0.824198			F-statistic	54.302***	
				Durbin-Watson stat	1.68307	

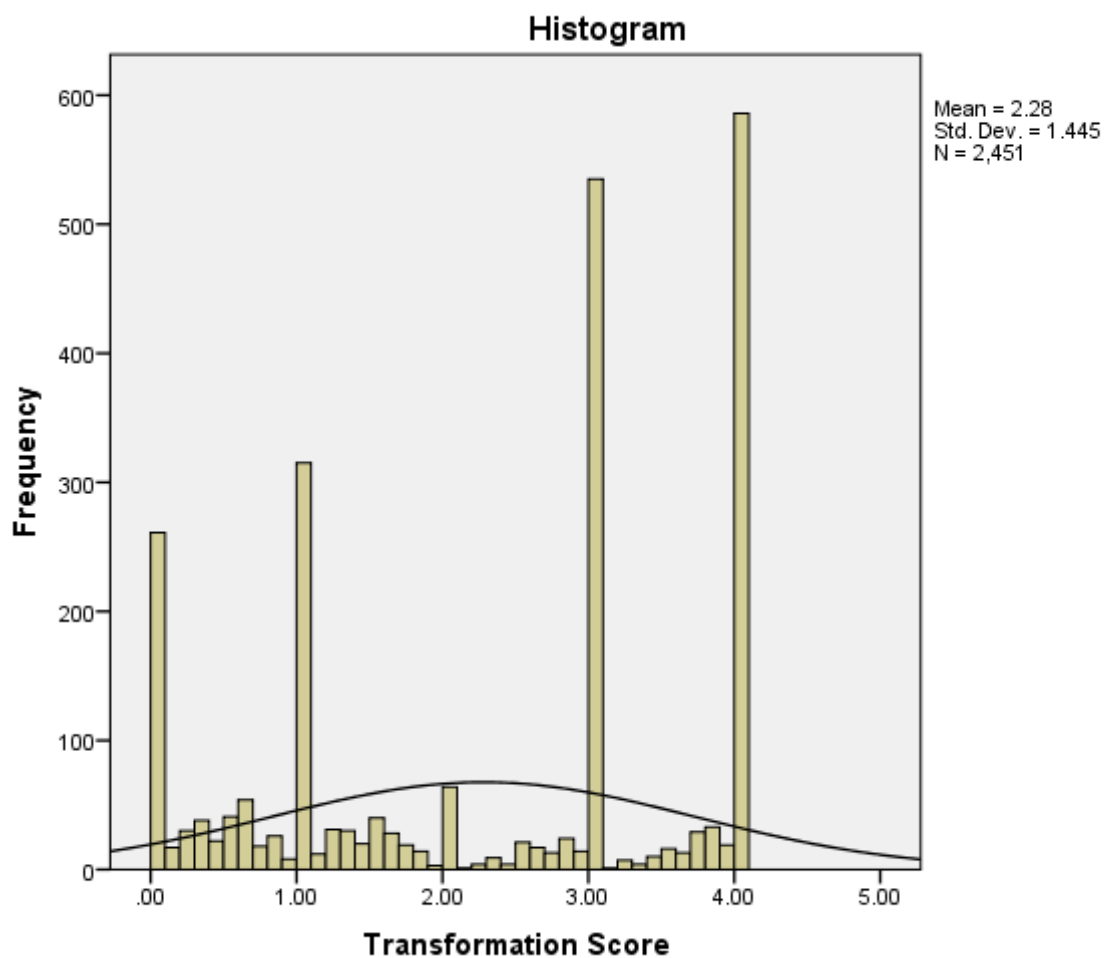
Appendix Table 1

Variable / Domain	Cultural & Natural Heritage	Performance & Celebration	Visual Arts & Crafts	Books & Press	Audio-Visual & Interactive Media	Design & Creative Services
Percentage of total sample in each domain (number in brackets)	9.26%	25.30%	24.77%	10.57%	6.36%	23.75%
Average transformation score	2.15	2.51	2.55	1.95	1.96	2.05
OWNERSHIP						
Percentage with at least 1 Black owner	51.54%	65.16%	62.93%	43.63%	52.56%	47.59%
Percentage with at least 1 Woman owner	46.26%	46.94%	57.83%	41.31%	30.77%	49.66%
Percentage with at least 1 Youth owner (up to 34 years old)	17.62%	45.16%	26.85%	16.99%	39.74%	25.77%
EMPLOYEES						
Average number of Employees per firm	34.95	10.73	5.15	21.54	10.62	9.65
Percentage of black, coloured and Indian/Asian employees	74.44%	84.87%	83.12%	86.43%	70.59%	68.01%
Percentage of employees full-time	88.45%	47.22%	73.99%	80.87%	39.80%	71.95%
Percentage of employees part-time	7.01%	26.33%	19.78%	9.54%	5.41%	16.93%
Percentage of employees contract	4.54%	26.45%	6.23%	9.59%	54.78%	11.13%
Percentage of workforce with tertiary education	8.39%	10.79%	9.72%	17.67%	27.42%	18.51%
Percentage of workforce: Formal certified training in sector	7.55%	23.85%	14.87%	22.33%	25.85%	23.73%
Percentage of workforce: Junior	6.97%	21.36%	18.28%	38.38%	19.50%	24.03%
Percentage of workforce: Intermediate	47.48%	24.50%	20.53%	15.15%	26.33%	22.71%
Percentage of workforce: Senior	45.55%	54.13%	61.19%	46.47%	54.17%	53.26%

TURNOVER, INCOME & MARKETS						
Average monthly turnover (percentage in domain who provided financial data in brackets in ZAR)	155 094	95 324	53 534	167 106	473 663	238 042
Percentage with income from local, provincial, national government grants	46.70%	24.52%	14.17%	39.00%	12.18%	7.56%
Percentage who are members of a professional association	48.02%	30.00%	17.30%	41.70%	28.21%	30.93%
Percentage unregistered	9.25%	25.81%	35.91%	6.95%	12.82%	18.04%
Percentage main market direct sales to SA public	47.58%	71.45%	85.50%	62.16%	81.41%	91.75%
Percentage who sell product/services internationally	14.54%	11.29%	21.42%	14.67%	25.64%	18.04%

Appendix Table 2: Distribution of the Dependent Variable (transformation score)

Variable / Domain	Cultural & Natural Heritage	Performance & Celebration	Visual Arts & Crafts	Books & Press	Audio-Visual & Interactive Media	Design & Creative Services
Maximum	4	4	4	4	4	4
Minimum	0	0	0	0	0	0
No. of 4s	43	158	203	29	19	134
No. of 0s	18	56	56	28	25	73
Range	4	4	4	4	4	4
Lower Quartile	1.00	1.00	1.00	1.00	0.37	0.67
Median	3.00	3.00	3.00	1.80	2.43	1.70
Upper Quartile	3.88	4.00	4.00	3.00	3.00	3.72
Mean	2.15	2.50	2.55	1.95	1.96	2.04
Standard Deviation	1.41	1.38	1.44	1.32	1.46	1.49



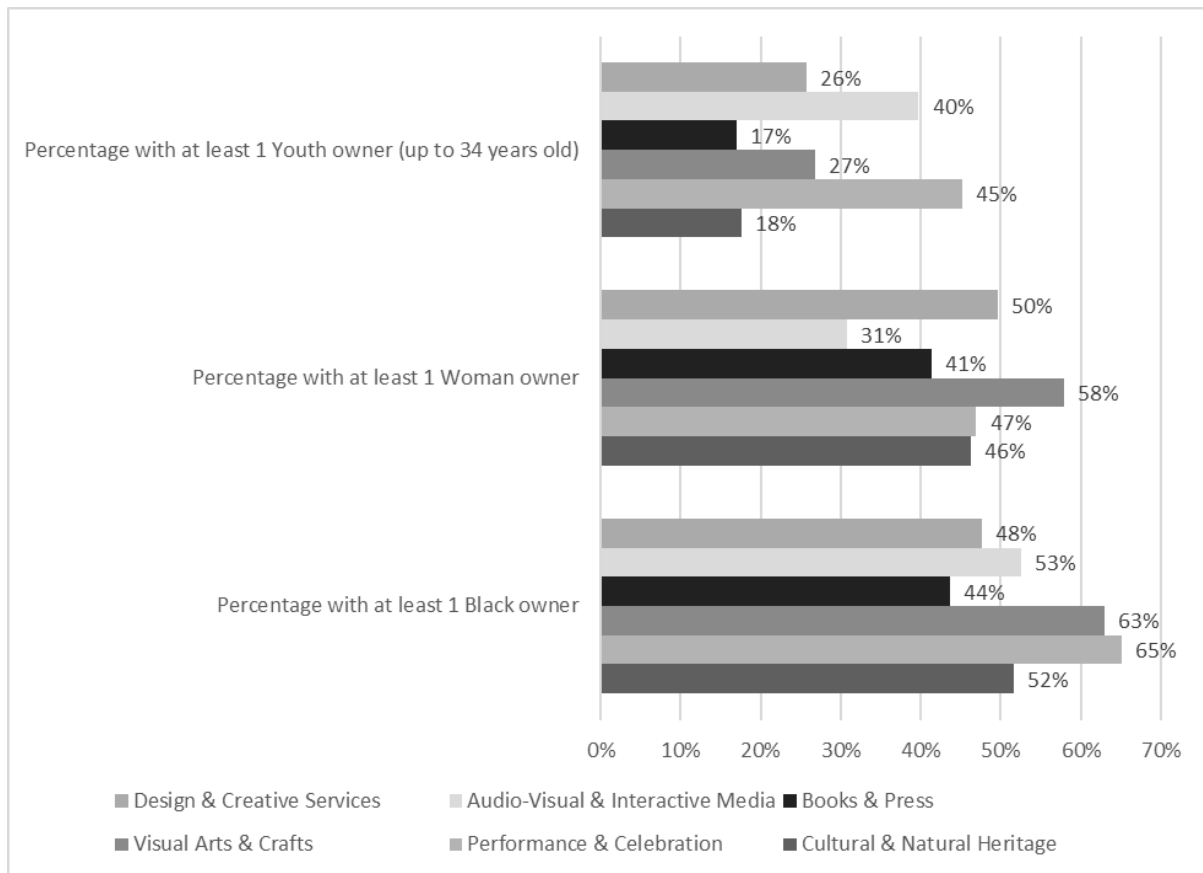


Figure 1. Ownership patterns in South African CCI firms

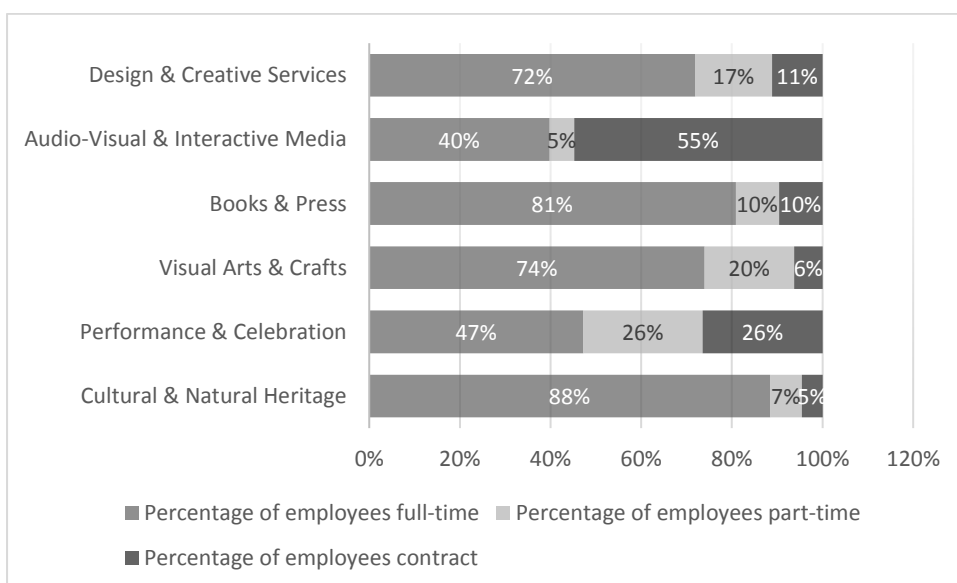


Figure 2. Employment types across Domains